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Geographical Indications and Tobacco Control Measures: What about the Legitimate Interests of the Owners of Geographical Indications?

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Abstract

The decision of the WTO panel in the *Australia – Plain Packaging* case as it relates to geographical indications (GIs) is consistent with the TRIPS Agreement. This article however contends that the decision exposes a lacuna in the TRIPS Agreement regarding the recognition of the legitimate interests of GI owners in using their GIs in the course of trade vis-à-vis the right of states to regulate the use of GIs.

1. Introduction

The decision of the dispute settlement panel of the World Trade Organisation (WTO) in the *Australia – Plain Packaging* case¹ confirms the right of states to regulate the use of geographical indications (GIs) in the course of trade. The aspect of this case dealing with GIs² was not appealed to the WTO's Appellate Body,³ therefore the decision of the dispute settlement panel with regard to GIs stands unchallenged. This article however contends that the decision of the panel in this case highlights a lacuna with regard to the protection of GIs under the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). Specifically, there is no provision in the TRIPS Agreement that sets parameters that states have to follow when imposing restrictions on the use of GIs. This is unlike the situation with regard to the imposition of restrictions on the use of trademarks under the TRIPS Agreement where states have to comply with the requirements of Article 20 of the TRIPS Agreement. Article 20 prohibits the imposition of unjustifiable encumbrances on the use of

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¹ WTO, *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging*, Panel Report, WT/DS435/R, WT/DS441/R WT/DS458/R, WT/DS467/R (28 June 2018) [hereinafter, *Australia – Plain Packaging*].

² Ibid paras 7.2797-7.2959. In this regard, it is also worth noting that most of the scholarly commentary on this dispute has been focused on the aspect relating to trademarks. See generally, Mark Davison, 'The Legitimacy of Plain Packaging under International Intellectual Property Law: Why There is no Right to Use a Trademark under either the Paris Convention or the TRIPS Agreement,' in Tania Voon, Andrew Mitchell, Jonathan Liberman, and Glyn Ayres (eds.), *Public Health and Plain Packaging of Cigarettes: Legal Issues* (Edward Elgar, 2012) 81; Susy Frankel and Daniel Gervais, 'Plain Packaging and the Interpretation of the TRIPS Agreement,' (2013) 46(5) *Vanderbilt Journal of Transnational Law* 1149; Mark Davison and Patrick Emerton, 'Rights, Privileges, Legitimate Interests, and Justifiability: Article 20 of TRIPS and Plain Packaging of Tobacco,' (2014) 29(3) *American University International Law Review* 505; Enrico Bonadio, 'Bans and Restrictions on the Use of Trademarks and Consumers' Health,' (2014) 4 *Intellectual Property Quarterly* 326; Carlos Correa, 'Is a Right to Use Trademarks Mandated by the TRIPS Agreement?' (2016) 1 *Journal of International Trade* 91.

³ WTO, *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging*, Appellate Body Report, WT/DS435/AB/R, WT/DS441/AB/R (9 June 2020) [hereinafter, *Australia – Plain Packaging*, AB Report].

trademarks in the course of trade. It is however unclear why there is no similar provision with regard to the imposition of restrictions on the use of GIs under the TRIPS Agreement.

This article is divided into three main sections. Sections 2 and 3 examine the decision of the WTO panel in the *Australia – Plain Packaging* case with regard to the claims of the complainants that the Australian tobacco plain packaging (TPP) measures are inconsistent with Articles 22(2)(b) and 24(3) of the TRIPS Agreement respectively. Thereafter, section 4 critically analyses the lacuna with regard to the protection of GIs under the TRIPS Agreement when compared with the protection of trademarks under the Agreement. This section notes that, while the decision of the panel is consistent with the provisions of the TRIPS Agreement, there is a gap in the TRIPS Agreement with regard to the recognition of the legitimate interests of the owners of GIs in using their GIs in the course of trade vis-à-vis the right of states to regulate the use of GIs.

2. Article 22(2)(b) of the TRIPS Agreement

In the *Australia – Plain Packaging* case, the panel had to address the claim by the complainants that the Australian tobacco plain packaging (TPP) measures are inconsistent with Article 22(2)(b) of the TRIPS Agreement.⁴ The complainants contended that the TPP measures amount to unfair competition by creating unfair conditions of competition in respect of GIs.⁵ They equally contended that the TPP measures compel acts by market actors in respect of GIs that constitute acts of unfair competition.⁶ The panel however rejected both of these contentions.⁷

In addressing these claims, the panel observed that Australia currently protects GIs through its trademark law as either certification marks or collective marks.⁸ In addition, the panel noted that GIs are equally protected in Australia via consumer protection measures addressing misleading representations and through the tort of passing off.⁹ It was agreed by the parties that ‘the TPP measures prohibit the use of any stylized or figurative elements contained in a GI or figurative signs constituting a GI on tobacco retail packaging and products.’¹⁰ The parties also agreed that ‘the TPP measures permit the use of a word constituting a GI on tobacco retail packaging and on cigar bands to the extent that it is part of the brand, business or company name, or the variant name of the tobacco product, provided that it appears in the form prescribed by the TPP Regulations.’¹¹ The panel also noted that the use of a GI that is the same as the name of the country of origin of the product on tobacco retail packaging and on cigar bands is permitted under the TPP measures as long as it is in the prescribed form.¹²

⁴ *Australia – Plain Packaging*, paras 7.2797-7.2872. Article 22(2)(b) of the TRIPS Agreement provides that: ‘In respect of geographical indications, Members shall provide the legal means for interested parties to prevent ... any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).’

⁵ *Australia – Plain Packaging*, paras 7.2857-7.2861.

⁶ *Ibid* paras 7.2862-7.2871.

⁷ *Ibid* paras 7.2872.

⁸ *Ibid* para 7.2852.

⁹ *Ibid*.

¹⁰ *Ibid* para 7.2854.

¹¹ *Ibid*.

¹² *Ibid*.

With regard to the contention that the TPP measures amount to unfair competition because it creates unfair conditions of competition in respect of GIs, the panel recalled its analysis in the context of the claims relating to Article 10*bis* of the Paris Convention where it had held that ‘act of competition’ in Article 10*bis*(2) does not ‘include laws and other instruments that a [WTO] Member adopts to regulate the market, or the overall regulatory environment within which the market operates.’¹³ According to the panel, ‘competition’ and ‘act of competition’ in the context of ‘industrial or commercial matters’ refers to ‘something that is done by a market actor to compete against other actors in the market.’¹⁴ In the context of the claim relating to Article 10*bis* of the Paris Convention, the panel had therefore held that the TPP measures in themselves do not constitute an act of unfair competition.¹⁵ Consequently, the panel ruled that the reference to an act of unfair competition in Article 22(2)(b) equally does not include laws and other instruments that a state ‘adopts to regulate the market, or the overall regulatory environment within which the market operates.’¹⁶ Thus, the TPP measures do not fall within the scope of an act of unfair competition as referred to in Article 22(2)(b) of the TRIPS Agreement.¹⁷ In addition, since the TPP measures are not an act of unfair competition, the panel refused to assess the ‘fairness’ of the TPP measures themselves or the regulatory environment resulting from the restrictions on the use of GIs because of these measures.¹⁸

In relation to the contention that the TPP measures compel acts by market actors in respect of GIs that constitute acts of unfair competition, the complainants specifically claimed that the TPP measures compel market actors to engage in the types of acts of unfair competition listed in Article 10*bis*(3)(iii) of the Paris Convention.¹⁹ Article 10*bis*(3)(iii) requires states to prohibit ‘indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods’. In this regard, the Dominican Republic contended that:

...through the mandated use of plain packaging and the prohibition on use of GIs, competitors are compelled to use indications that are liable to mislead the public as to the nature or characteristics of the tobacco products. In the Dominican Republic's view, consumers generally will be led to believe erroneously that geographical origin of the product makes no difference to the quality or characteristics of the products, and competitors will be unable to command a price premium for premium products that would otherwise be labelled with GIs. The Dominican Republic adds that the limited exceptions to the prohibition on the use of GIs do not undermine

¹³ Ibid para 7.2858.

¹⁴ Ibid.

¹⁵ Ibid paras 7.2699.

¹⁶ Ibid para 7.2858.

¹⁷ Ibid.

¹⁸ Ibid para 7.2861 (noting that, ‘Honduras argues that the TPP measures result in a perception, and a related impact on competition, to the detriment of owners of existing and potential future GIs, which is not “fair”. This argument focuses on the TPP measures themselves as a regulatory intervention, and whether the resulting regulatory environment can be seen as unfair, rather than on acts of competition carried out by market actors. As described above, Honduras clarified however that it does not argue that a government’s laws or regulations constitute acts of unfair competition. Rather, the relevant acts of unfair competition remain those of private parties. We recall our finding above that the TPP measures in themselves do not constitute an “act of unfair competition”, as referred to in Article 22.2(b). Accordingly, we do not consider further whether the TPP measures themselves as a regulatory intervention, or the regulatory environment resulting from the restrictions that the measures impose on the use of GIs and their figurative elements, are “fair”.’).

¹⁹ Ibid para 7.2862.

its arguments, which concern the unfair competition resulting from the restrictions on the use of GIs under the TPP measures.²⁰

The panel however ruled that the complainants had failed to identify any specific indications or allegations required by the TPP measures in respect of GIs that would be liable to mislead the public as stated in Article 10bis(3)(iii).²¹ According to the panel:

The complainants have not identified any specific indications or allegations required by the TPP measures in respect of GIs that would be liable to mislead the public within the meaning of Article 10bis(3)(3). As we found in the context of our analysis under Article 10bis(3)(3), we do not exclude that an *omission* of information may amount to an indication or allegation that is liable to mislead, where such omission, in the course of trade, deceives the consumer by giving incorrect information or a false impression. However, we are not persuaded that the complainants have demonstrated that the absence of a GI or its figurative elements on tobacco retail packaging or products as a result of the TPP measures would amount to an indication or allegation liable to mislead consumers within the meaning of Article 10bis(3)(3). In particular, we are not persuaded that this absence would mislead consumers by way of giving incorrect information or false impressions, or by creating any particular incorrect expectations in the minds of consumers about the nature, manufacturing process or characteristics of the product, be they similar to or different from the characteristics of other similar products on the market.²²

The panel also highlighted a number of reasons for its conclusion in this regard. The panel pointed out that the TPP measures permit the use of GIs on tobacco retail packaging and cigar bands if they are part of the brand, business or company name and appear in the prescribed form.²³ The panel further noted that the complainants did not seek to show that consumers have in fact been misled or unable to identify the geographical origin of goods because of the restrictions on the use of GIs.²⁴ Importantly, the panel stated that all competitors are required to comply with the same requirements on standardised tobacco packaging and they are required to do this within an ‘environment of public education around the issue’.²⁵ The panel therefore concluded that ‘the complainants have not demonstrated that the TPP measures compel market actors to engage in acts of unfair competition that would amount to misleading indications or allegations within the meaning of paragraph 3(3) of Article 10bis of the Paris Convention (1967) in respect of GIs.’²⁶ As a result, the panel ruled that ‘the complainants have not demonstrated that Australia, in maintaining these measures, fails to provide the legal means for interested parties to prevent such acts in respect of GIs, in violation of Article 22.2(b) of the TRIPS Agreement.’²⁷

The panel’s approach with regard to the claims brought pursuant to Article 22(2)(b) of the TRIPS Agreement preserves the policy space available to states to regulate the use of GIs in order to achieve certain objectives such as the protection of public health. The panel’s approach also has implications for the ability of states to regulate the use of GIs in relation to other products besides tobacco such as wines and spirits. Importantly, since there is no right to use a

²⁰ Ibid para 7.2684.

²¹ Ibid para 7.2866.

²² Ibid (Emphasis in the original).

²³ Ibid para 7.2867.

²⁴ Ibid.

²⁵ Ibid para 7.2868.

²⁶ Ibid para 7.2870.

²⁷ Ibid.

GI under the TRIPS Agreement, states are largely free to implement measures to regulate the use of GIs.

3. Article 24(3) of the TRIPS Agreement

Article 24(3) of the TRIPS Agreement provides that, ‘In implementing this Section, a Member shall not diminish the protection of geographical indications that existed in that Member immediately prior to the date of entry into force of the WTO Agreement.’ It should be noted that this provision applies to any measure that implements any of the provisions of Section 3 of Part II of the TRIPS Agreement which deals with GIs. Therefore, any measure that relates to the protection of GIs falls within the scope of the obligation in Article 24(3). Thus, in *Australia – Plain Packaging* it was held that the Australian TPP measures fall within the scope of the obligation in Article 24(3).²⁸ The obligation in Article 24(3) does not however apply to measures adopted to implement provisions outside Section 3 of Part II of the TRIPS Agreement.²⁹

The text of this provision is ambiguous regarding whether the protection in this regard refers to the legal framework (or system) for the protection of GIs on the one hand or the protection of individual GIs on the other hand. If it refers to the former, then it might constrain the policy space available to states with regard to the protection of GIs as states with a higher level of protection of GIs would be unable to make use of the flexibilities available in Section 3 of Part II of the TRIPS Agreement.

In *EC – Trademarks and GIs (US)*, the panel took the view that the protection that must not be diminished pursuant to Article 24(3) is the protection of individual GIs. The panel began its analysis in this regard by examining the official English, Spanish, and French versions of this provision. After examining the English, Spanish, and French versions of Article 24(3), the panel noted that all three versions do not resolve the ambiguity embedded in the text of Article 24(3) in this regard.³⁰ The panel thereafter highlighted two important consequences of interpreting Article 24(3) as referring to the system of GI protection instead of to the protection of individual GIs. According to the panel:

If Article 24.3 referred to a system of protection in a Member, this would have two important consequences. First, as a mandatory provision, it would prevent a Member which had a system that granted a higher level of protection than that provided for in the TRIPS Agreement from implementing the same minimum standards of protection as other Members, even if it wished to do so...

Second, a standstill provision for a system of protection would exclude from the scope of Section 3 not only individual rights already in force under that system as at the date of entry into force of the WTO Agreement, but also rights subsequently granted under that system in perpetuity. This would be a sweeping exclusion which would grow, rather than diminish, in importance, as an increasing number of GIs were protected under the prior legislation. The Panel is reluctant to find such an exclusion in the absence of any clear language to that effect,

²⁸ Ibid paras 7.2924-7.2926.

²⁹ WTO, *European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs (US)*, Panel Report, WT/DS174/R (15 March 2005) para 7.632 [hereinafter, *EC – Trademarks and GIs (US)*].

³⁰ Ibid para 7.633.

and none has been drawn to its attention. In this respect, it can be noted that the TRIPS Agreement *does* contain an exclusion for a type of system (in respect of phonograms) in Article 14.4 but it is optional, it clearly refers to a “system” and it is subject to a proviso against abuse. Article 24.3 contains none of these features.³¹

Based on the above considerations, the panel in this case concluded that Article 24(3) refers to the protection of individual GIs prior to 1 January 1995 i.e. when the TRIPS Agreement entered into force.³² This approach to resolving the ambiguity in Article 24(3) was also followed in *Australia – Plain Packaging*.³³ The panel in this case further supported its decision in this regard by noting that this approach is consistent with the object and purpose of Article 24(3)³⁴ and a harmonious interpretation of the TRIPS Agreement as a whole.³⁵

Moreover, in *Australia – Plain Packaging*, the panel had to decide whether Australia had diminished the protection of GIs through its TPP measures. In this regard, only one of the complainants i.e. Cuba was able to identify a specific GI (Habanos) that it claimed was protected in Australia prior to 1 January 1995.³⁶ Cuba alleged that Habanos ‘benefited from the protection that was available for GIs in Australia at that time and that, since then, its protection has been diminished as a result of the TPP measures, and that Australia has thus failed to comply with Article 24.3.’³⁷ The panel therefore had to determine whether the protection that any GI could have enjoyed in Australia under statutory or common law immediately prior to 1 January 1995 had been diminished due to the TPP measures.³⁸

In this regard, the panel found that, before 1995, GIs were protected via statutory consumer protection law and common law remedies in Australia but that none of these contain a right to use a GI.³⁹ The panel therefore held that Cuba had not demonstrated that, pursuant to the statutory or common law protections that were available to GIs in Australia prior to 1995, there was a legally protected right to use GIs.⁴⁰

³¹ Ibid paras 7.634-7.635 (Emphasis in the original).

³² Ibid para 7.636.

³³ *Australia – Plain Packaging*, para 7.2936.

³⁴ Ibid para 7.2933.

³⁵ Ibid paras 7.2934-7.2935.

³⁶ Ibid para 7.2943.

³⁷ Ibid.

³⁸ Ibid para 7.2946.

³⁹ Ibid para 7.2950.

⁴⁰ Ibid (stating that, ‘Prior to 1995, GIs already benefited from statutory consumer protection law and common law remedies. We understand that these legal remedies have the effect of addressing various forms of misleading representations that can include misuse of GIs. Since these laws and legal remedies variously aim at the suppression of misleading representations, from a consumer perspective, and preventing the misappropriation of a trader's goodwill, we understand that they do not stipulate how terms can or should be used legitimately as a condition of protection against misuse. Cuba has not identified any particular statutory law under which, prior to 1995, the interested party in the GI “Habanos” would have had a legally recognized right or entitlement to use that GI. Rather, we understand Cuba to assert that such right arose under the common law, since it recognizes “freedom to use any word or device in association with the provision of goods or services”. Cuba, however, has not explained how such freedom to use any word or device would amount to a legally protected right or entitlement to use such a word or device free from any restrictions found in other applicable laws. Cuba has, therefore, not demonstrated that, under the statutory or common law protections available prior to 1995, interested parties would have had, in respect of GIs, a legally protected right to use their GIs. Even assuming, *arguendo*, that the remedies under such statutory or common law protections against misleading representations would have been available in respect of the GI “Habanos” immediately before 1 January 1995, Cuba has not demonstrated that Cuban exporters would have had a legally protected right in Australia to use the GI “Habanos” in its original form on the packaging of LHM cigars at that time. Even if Cuban exporters could have used, at that time, the GI “Habanos” in the

Cuba equally raised a separate argument with regard to passing off under Australian law. In relation to passing off, Cuba contended that because it is unable to use Habanos GI for cigars, this inevitably weakens the reputation of the GI thereby making it more difficult to take action against passing off.⁴¹ The panel however held that Cuba had not shown that it had a ‘legally protected entitlement to use “Habanos” GI for the purposes of maintaining the strength of its protection against passing off.’⁴² Importantly, the panel held in this regard that:

We understand that the way in which an interested party uses its GI within the applicable market regulations to maintain the reputation of that GI is not part of the legal protection that Australia provides under that domestic legal instrument and, consequently, not covered by the term “protection” in Article 24.3. We find, therefore, that Australia is not obliged, pursuant to Article 24.3, to create, permit or maintain the market conditions which may give rise to an action for passing off.⁴³

Importantly, since the legal framework for protecting GIs (including passing off) in Australia prior to 1995 did not contain a right to use GIs, then the protection of GIs (including Habanos) could not have been diminished after the implementation of the TPP measures. The panel’s approach with regard to the argument relating to passing off is also consistent with its approach in the context of the claims under Article 15 of the TRIPS Agreement where the panel held that ‘it is usually the responsibility of private parties, i.e. applicants or right holders in the context of the varying market conditions, to fulfil the criteria required for registration, protection and enforcement of IP rights.’⁴⁴ Thus, in the absence of any express obligation to the contrary in an international agreement, states are completely free to adopt regulations that may make it more difficult for private parties to enforce their intellectual property rights. In this case, there is no indication that Australia had any obligation prior to 1995 to guarantee the right to use GIs or that it had in fact guaranteed that there was a right to use the Habanos GI. There is thus no reason why Australia cannot restrict the use of GIs (or, specifically, the Habanos GI) after 1995 via the TPP measures.

4. What about the Legitimate Interests of GI Owners?

There is no doubt that the decision of the panel in the *Australia – Plain Packaging* case confirms the right of states to regulate the use of GIs. There is also no dispute regarding the fact that the TRIPS Agreement does not confer a right to use GIs on the owners of GIs. The decision of the panel however highlights a lacuna in the TRIPS Agreement with regard to the protection of GIs. Importantly, unlike the case of trademarks, there is no provision in the TRIPS Agreement that sets parameters that states have to follow when imposing restrictions on the use of GIs. In relation to trademarks, Article 20 of the TRIPS Agreement provides in part that ‘[t]he use of a trademark in the course of trade shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner

marketplace without contravening applicable laws, that capacity cannot be conflated with a positive, legally recognized right to use the GI under Australian law.’).

⁴¹ Ibid para 7.2956.

⁴² Ibid.

⁴³ Ibid.

⁴⁴ Ibid paras 7.1897.

detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings.’ As confirmed by the WTO’s Appellate Body,

In order to establish that the use of a trademark in the course of trade is being unjustifiably encumbered by special requirements, the complainant has to demonstrate that a policy objective pursued by a Member imposing special requirements does not sufficiently support the encumbrances that result from such special requirements ... such a demonstration could include a consideration of: (i) the nature and extent of encumbrances resulting from special requirements, taking into account the legitimate interest of the trademark owner in using its trademark in the course of trade; (ii) the reasons for the imposition of special requirements; and (iii) a demonstration of how the reasons for the imposition of special requirements support the resulting encumbrances.⁴⁵

Thus, Article 20 of the TRIPS Agreement appears to strike a balance between the right of states to regulate the use of trademarks and the legitimate interests of trademark owners in using their trademarks in the course of trade. Crucially, despite the fact that the TRIPS Agreement does not confer a right to use trademarks on trademark owners, the legitimate interests of trademark owners are not overlooked when it comes to the ability of states to regulate the use of trademarks. There is however no equivalent provision in the context of GIs. A critical examination of the arguments of some of the complainants before the panel in the *Australia – Plain Packaging* case suggests that the real motivation behind their claims in the context of GIs was the perceived need to consider the impact of the TPP measures on the legitimate interests of the owners of GI. Unfortunately, as there was no provision that they could use to directly make this argument, the complainants had to resort to provisions that were not really designed to strike a balance between the right of states to regulate the use of GIs and the legitimate interests of the owners of GIs.

For instance, Honduras, one of the complainants, argued that:

...[the] severe limitations on the use of GIs result in an inability for the owners to communicate through their GIs differences in quality, taste and other physical characteristics to their consumers and to the broader public. Therefore, consumers of tobacco products will gain the erroneous impression that all tobacco products from all geographical origins are the same and have the same characteristics. This perception, and its resulting impact on competition, is not “fair”, because it goes to the detriment of owners of existing GIs who have invested time and resources into establishing their GIs.⁴⁶

In the same vein, another complainant, the Dominican Republic, contended that:

...although the TPP measures allow the display of a brand and variant name on retail packaging for tobacco products in a prescribed format, they prohibit the use of any aspect of a trademark or GI that involves design features. Yet, it is these design features that are regarded as “more effective and efficient communicators of brand values than the corresponding words”. As with trademarks, GIs are used in commerce to distinguish certain goods from other goods, although the basis of such distinction is limited to the geographical origin of the goods, and the qualities that derive from that origin. Without the ability to use trademarks or GIs in commerce, the benefits that warrant the international protection of trademarks and GIs disappear.⁴⁷

⁴⁵ *Australia – Plain Packaging*, AB Report, para 6.659.

⁴⁶ *Australia – Plain Packaging*, para 7.2808.

⁴⁷ *Ibid* para 7.2812.

While both complainants did not use the term ‘legitimate interests’ in their arguments in this regard, it is interesting to note the similarities between their arguments and the description of the legitimate interests of trademark owners as observed by the panel in *EC – Trademarks and GIs (US)*:

Every trademark owner has a legitimate interest in preserving the distinctiveness, or capacity to distinguish, of its trademark so that it can perform that function. This includes its interest in using its own trademark in connection with the relevant goods and services of its own and authorized undertakings. Taking account of that legitimate interest will also take account of the trademark owner’s interest in the economic value of its mark arising from the reputation that it enjoys and the quality that it denotes.⁴⁸

If both trademarks and GIs are indicators of origin (albeit one notes that, unlike trademarks, GIs indicate the geographical origin of goods), then the rationale for the differential treatment of GIs in this regard is unclear. This is however not to say that the decision of the panel in the *Australia – Plain Packaging* case is incorrect. The decision of the panel is consistent with the provisions of the TRIPS Agreement. Nevertheless, one cannot help but notice that there is a lacuna in the TRIPS Agreement with regard to the recognition of the legitimate interests of the owners of GIs in using their GIs in the course of trade vis-à-vis the right of states to regulate the use of GIs. This gap is however not unique to the TRIPS Agreement. It is also present in the other WIPO treaties that deal with the protection of GIs i.e. the Paris Convention for the Protection of Industrial Property (Paris Convention), the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods of 1891 as revised in 1967 (Madrid Agreement), the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of 1958 (Lisbon Agreement), and the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications of 2015 (Geneva Act).

Admittedly, this lacuna may not create problems for GI owners in countries where GIs can be protected under trademark law. In such countries, the obligation under Article 20 of the TRIPS Agreement would still be applicable to the regulation of the use of GIs. However, what about those countries where GIs can only be protected under either a sui generis law or unfair competition law (such as the tort of passing off)? In addition, even where protection under trademark law is available alongside other forms of protection, it is quite possible for the

⁴⁸ *EC – Trademarks and GIs*, para 7.664. In this regard, it is worth highlighting that, in the context of exceptions to trademark rights under Article 17 of the TRIPS Agreement, the panel in *EC – Trademarks and GIs (US)* agreed that GI users are included in the ‘third parties’ whose legitimate interests ought to be taken into account when states are creating exceptions to trademark rights. According to the panel: ‘The European Communities submits that “third parties” for the purposes of Article 17 include persons using a GI in accordance with a GI registration. The Panel agrees. Article 17 permits an exception to the rights conferred by a trademark which include, according to Article 16.1, a right to prevent “all third parties” from using certain signs. The basis of the complainant’s claim is that those third parties include GI users. It is logical that, if GI users are included in the third parties subject to the trademark owner’s right, they are also included in the third parties taken into account in assessing the availability of an exception to that right. The legitimacy of the interests of GI users is reflected in the TRIPS Agreement itself, to which all WTO Members have subscribed. Under Section 3 of Part II, all WTO Members agree to provide certain protection to GIs, although they remain free to determine the appropriate method of implementing those provisions in accordance with Article 1.1. The definition of a GI in Article 22.1 reflects a legitimate interest that a person may have in identifying the source and other characteristics of a good by the name of the place where it is from, if the name would serve that purpose.’ Ibid paras 7.681-7.682. Nevertheless, there is no provision in the TRIPS Agreement that requires states to take the legitimate interests of the owners and users of GIs into account whenever they exercise their right to regulate the use of GIs in the course of trade.

owners of a GI to only protect their GI under either a sui generis law or via unfair competition law.

5. Conclusion

The decision of the panel in the *Australia – Plain Packaging* case with regard to GIs has implications for not just tobacco products but also for other so-called unhealthy food products (such as alcohol and sugary foods) whose consumption states may wish to discourage. It is thus important for the legitimate interests of the owners of GIs to be taken into account when states exercise their right to regulate the use of GIs. When thinking about this issue, it should be borne in mind that ownership of GIs is not limited to those who produce tobacco. There are a number of communities around the world that have invested time and resources in securing GI protection for different types of products besides tobacco and they do have a legitimate interest in using their GIs in the course of trade. Given the current divergence of views at the multilateral level regarding the best way to protect GIs, it is however admitted here that it is very unlikely that this lacuna in the treatment of the owners of GIs under the TRIPS Agreement would be addressed anytime soon.